

1-1-1978

Washington report, vol. 6 no.52, February 20, 1978

American Institute of Certified Public Accountants.

Follow this and additional works at: https://egrove.olemiss.edu/aicpa_news



Part of the [Accounting Commons](#), and the [Taxation Commons](#)

Recommended Citation

American Institute of Certified Public Accountants., "Washington report, vol. 6 no.52, February 20, 1978" (1978). *Newsletters*. 628.
https://egrove.olemiss.edu/aicpa_news/628

This Article is brought to you for free and open access by the American Institute of Certified Public Accountants (AICPA) Historical Collection at eGrove. It has been accepted for inclusion in Newsletters by an authorized administrator of eGrove. For more information, please contact egrove@olemiss.edu.

AICPA *Washington Report*

February 20, 1978, Volume VI, Issue 52

EFTC	Bill outlining consumer rights under EFTC introduced	p.1
FRB	Condition and income reports revised	p.1
ICC	Railroad revenue data rules published	p.1
DOL	1976 Report to Congress on ERISA available	p.1
OMB	New procurement regulation discussed	p.1
Paperwork Commission	Report on Employment and Training Programs available	p.1
SEC	Response to Advisory Committee on Corporate Disclosure issued	p.1
	Regulation of industrial development bonds proposed	p.2
	Hearing on bank financial reporting scheduled	p.2
Treasury	Corporations not required to list total entertainment deductions	p.2
	Report on Taxation of Americans working abroad issued	p.2
	Comments requested on tax treatment of employees and self-employed	p.2
	John R. Raedel, CPA, appointed Deputy International Tax Counsel	p.2
	Rules on actuarial services for pension plans proposed	p.3
	Pension plan reporting requirements proposed	p.3
	DISC reporting requirement rules adopted	p.3
	Industrial development bond hearings scheduled	p.3

ELECTRONIC FUND TRANSFERS COMMISSION

Legislation has been introduced by Senator John Tower (R-Tex) to provide a framework for consumer rights and obligations in conjunction with the use of electronic fund transfer systems. The bill (S.2470), entitled the "Fair Fund Transfer Act of 1978", would place the administrative enforcement responsibility for such systems with the bank regulatory agencies and the Federal Trade Commission.

FEDERAL RESERVE BOARD

Revisions in reports of condition and income have been announced by the Board. The revised reports of condition and supporting statements will be required for 12/31/78 data, and the revised income report and supporting statements for the year ending 12/31/78. The Comptroller of the Currency and the Federal Deposit Insurance Corporation will also require similar revised reporting as of the same dates. A full description of the report and revised instructions will be sent to affected banks by the end of April.

INTERSTATE COMMERCE COMMISSION

Final rules setting standards and procedures in order to determine the adequacy of railroad revenues were published in the 2/10/78 Fed. Reg., pp. 5836-40. Under these regulations, each railroad will be required to submit selected financial data on various schedules and statements.

LABOR, DEPARTMENT OF

The 1976 Report to Congress on the Administration of the Employee Retirement Income Security Act is now available. The report includes background information on the Act, as well as sections providing details on regulatory activities, plan administrators' activities, enforcement actions, studies, and interagency coordination. Copies of this report may be obtained by calling 202/523-8764.

OFFICE OF MANAGEMENT AND BUDGET

The Office of Federal Procurement Policy has proposed that the Department of Defense and the General Services Administration take the lead in developing a government-wide procurement regulation. The new regulation, which will be named the Federal Acquisition Regulation, should be drafted by early next year and ready for final publication by Fall of 1979. Under the OFPP proposal, DOD and GSA would divide areas of expertise to facilitate the completion of all drafts by the end of January, 1979. Currently, OFPP is conducting a survey of executive agency procurement policies to aid the drafting project.

PAPERWORK COMMISSION

"Employment and Training Programs", an interim report prepared by the Commission, is now available to the public. In this report the Commission concludes that the lack of a single, coordinated national manpower policy is wasting human and financial resources. They recommend that reductions be made in manpower program paperwork and that a uniform set of employment and training programs be developed. Copies of the report may be obtained from the GPO for \$2.20 each (S/N 052-003-00447-0).

SECURITIES AND EXCHANGE COMMISSION

The preliminary response to the recommendations of the Advisory Committee on Corporate Disclosure has been issued by the SEC (rel. 33-5906). The release summarizes the

Committee's recommendations, reviews actions already taken by the Commission and discusses the Commission's plans for further action. The Advisory Committee made recommendations in 13 major areas including forecasting and reporting other "soft information", segment reporting, developing industry guidelines for disclosure requirements and disclosing corporate social and environmental performance. According to the release, the Commission is moving to establish a single disclosure regulation that would include reporting requirements now found in several reporting and registration forms.

Legislation that would place industrial development bonds under federal securities laws will be proposed by the SEC. The Commission has agreed to send draft legislation to Congress that would eliminate the current exemption that industrial bonds now enjoy if the bonds qualify as tax-free investments. Because the bonds have appeal as a tax-free investment, the Commission believes greater disclosure should be made by the issuing corporation to the public.

A public meeting has been scheduled on the proposed revision of bank financial statements. The SEC announced the meeting on the revised Article 9 of Regulation S-X will be held in Washington on 2/23/78. Discussion will focus on the reporting of loans to insiders. The current comment period on the proposed Article 9 expires on 2/28/78.

TREASURY, DEPARTMENT OF

Corporations will not have to list the total amount of deductions claimed for entertainment, gifts, travel and similar expenses on their 1977 tax forms, the IRS announced in IR-1961. The IRS said that the exemption resulted from taxpayers' complaints that they were not aware the information would be requested until the 1977 tax forms were released. Consequently, corporations encountered difficulties in compiling the necessary data. Companies will have to provide the information on their 1978 tax returns and will have to maintain records substantiating deductions claimed on 1977 returns.

A report entitled "Taxation of Americans Working Overseas" has been released by the Treasury. The report analyzes changes made in the Tax Reform Act of 1976 which affect Americans working abroad, new Tax Court rulings which have increased employees' gross income, and legislative proposals now under consideration such as S.2115 introduced by Senator Abraham Ribicoff (D-Conn). The report can be obtained from Treasury by calling 202/566-2041.

The House Ways and Means Committee has announced it will hold hearings on the foreign income question on 2/23 and 2/24/78. It is expected that at those hearings Treasury will supplement this report with an alternative proposal for the tax treatment of Americans working overseas.

Public comments have been requested on the General Accounting Office report "Tax Treatment of Employees and Self-Employed Persons by the Internal Revenue Service" by the Joint Committee on Taxation. The Joint Committee staff will analyze the comments and write a report on the definition of "independent contractor" and "employee" for Federal tax purposes. Comments are also being requested from the IRS, Treasury, DOL, HEW, and Justice. Statements should be sent by 3/10/78 to the Joint Committee on Taxation, Room 1015 Longworth House Office Building, Washington, D.C. 20515. Copies of the GAO report can be obtained by mail for \$1.00 by requesting report number GGD-77-88, 11/21/77.

John R. Raedel, CPA, has been appointed Deputy International Tax Counsel and Deputy Directory of the Office of International Tax Affairs at Treasury. Raedel, who has

been with the Office of International Tax Counsel since 1975, will assist in developing legislation and regulation on international tax matters as well as help coordinate Treasury's income and estate tax treaty program.

Proposed rules amending regulations governing actuaries performing services for ERISA pension plans have been issued by the Joint Board for the Enrollment of Actuaries. They appear in the 2/15/78 Fed. Reg., pp. 6626-31. The proposed rules deal with the suspension or termination of enrolled actuaries as well as procedures to be followed in conducting suspension or termination proceedings. Comments on the proposed rules are due by 4/17/78 and should be addressed to the Joint Board for the Enrollment of Actuaries, U.S. Department of the Treasury, Washington, D.C. 20220.

Proposed rules on filing annual returns for employee retirement benefit plans have been issued by IRS. They appear in the 2/10/78 Fed. Reg., pp. 5854-56. Under the proposed rules, an annual return of the Form 5500 series would be filed with the IRS. This form would also satisfy some of the ERISA requirements for DOL and PBGC. Rules are also proposed for the imposition of a penalty for failing to file the required returns. Comments are due by 3/27/78.

Final regulations on domestic international sales corporation (DISC) reporting requirements and rules for export trade corporations appear in the 2/15/78 Fed. Reg., pp. 6602-04. Under the rules DISCs are required to maintain books and records and furnish stockholders with a copy of Schedule K Form 1120-DISC filed with the IRS. The regulations also provide guidance on the qualification requirements for export trade corporations. The new regulations are effective for taxable years ending after 12/31/71.

A hearing has been scheduled on proposed regulations on refundings of industrial development bonds. The hearing will be held on 3/15/78 at the IRS. The proposed regulations appeared in the 12/6/77 Fed. Reg., p. 61613. For more information contact George Bradley at 202/566-3935.

For more information contact:
Steven Woolf or Susan Retter
202/872-8190

AICPA *Washington Report*

American Institute of Certified Public Accountants

1620 Eye Street, N.W., Washington, D.C. 20006

FIRST CLASS MAIL